

Automobile

MAA Mar 26 TIV: Sales Improve mom, But Down yoy

Highlights

- MAA's TIV for Mar 26 increased mom to 63,489 units driven by festive demand, although 3M26 sales declined mainly due to weaker yoy performance of non-national brands.
- We expect the recent surge in oil prices to have a limited impact on vehicle sales, as consumers remain cushioned by fuel subsidies, with mass-market demand staying resilient.
- We maintain our 2026 TIV forecast of 790,000 units (-3.6% yoy) and MARKET WEIGHT rating on the sector, given the limited catalysts that can drive consumer demand.

Analysis

MAA Mar 26 TIV

	Mar 26	mom % chg	yoy % chg	3M26	yoy % chg
Passenger	59,498	20%	(13%)	170,511	(3.7%)
Commercial	3,991	(13%)	(12%)	11,602	(1.1%)
TIV	63,489	19%	(13%)	182,113	(3.5%)

Source: MAA, UOB Kay Hian

- **Sales improved in Mar 26, but weakened in 3M26.** Malaysia Automotive Association's (MAA) Mar 26 total industry volume (TIV) registered sales of 63,489 units (+19% mom, -13% yoy). The mom increase was driven by stronger demand supported by festive promotional campaigns, while the decline in sales yoy was primarily attributed to fewer working days and temporary plant shutdown during the festive period. Cumulatively, 3M26 TIV slipped to 182,113 units (-3.5% yoy) mainly due to lower sales of non-national brands (-17%), reversing the growth momentum observed in the first 2M26.
- **Proton recorded a significant increase in market share.** Proton sustained its strong momentum with sales of 15,243 units (+13% mom and yoy), which lifted its market share from 18% to 26%. This was supported by robust demand for recently launched models such as the Proton Saga and e.MAS 5. Meanwhile, Perodua posted modest sales growth of 4% mom to 24,530 units, with its market share easing from 45% to 41% in 3M26.
- **Sales of non-national brands rebounded mom, although cumulative sales remained weak.** Japanese marques recorded a recovery during the month, led by Honda (6,723 units; +115% mom), supported by its aggressive promotional campaigns. Mazda also registered a strong rebound to 998 units (+152% mom), driven by key models such as the Mazda 3 and CX-5. Despite the improvement, cumulative 3M26 sales of Japanese brands declined by 30% yoy, resulting in a contraction in their market share from 21.5% to 15.6%. A similar mom recovery trend was observed among Chinese automakers, led by Jaecoo and BYD. The combined market share of key Chinese brands (Chery, BYD, Jaecoo, Jetour) increased from 5.0% to 6.2% in 3M26.

MARKET WEIGHT (Maintained)

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Segmental Rating

Segment	Rating
Malaysia	MARKET WEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price Target Price (RM) (RM)
Bermaz Auto	BAUTO MK	BUY	0.96 1.08

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec*	Price 21 Apr 26 (RM)	Target Price (RM)	Upside To TP (%)	Last Year End	PE 2025A (x)	PE 2026F (x)	2027F (x)	Yield 2026E (%)	ROE 2026E (%)	Market Cap. (RMm)	Price/ NAV ps (x)
Sime Darby	SIME MK	BUY	2.27	2.72	19.8	06/26	13.3	10.6	10.3	5.7	10.7	15,680.9	0.8
Bermaz Auto	BAUTO MK	BUY	0.96	1.08	12.5	04/26	6.8	13.2	9.8	7.3	11.8	1,312.8	1.5
Pecca Group	PECCA MK	BUY	1.48	1.96	32.4	06/26	19.5	17.4	13.5	4.0	26.0	1,113.8	5.5

Source: Bloomberg, UOB Kay Hian

- **Expect limited impact on vehicle sales from the surge in oil prices.** We expect vehicle sales in Apr 26 to moderate following the festive-driven strength in the preceding month. Looking ahead, we see potential downside risk to 2Q26 sales amid softer consumer sentiment arising from the ongoing Middle East conflict and the surge in oil prices; however, we expect the overall impact on passenger vehicle sales to remain limited, as consumers continue to be cushioned by fuel subsidies. Any near-term weakness in sales is likely to be temporary, with a recovery anticipated in 2H26, supported by resilient mass-market demand, healthy industry order backlogs and a steady pipeline of new model launches.
- **Maintaining our 2026 TIV forecast of 790,000 units (-3.6% yoy)**, as 3M26 sales remained in line with our estimate. Key factors underpinning our forecast include: a) lower sales of non-national brands amid intense competition; and b) softer CBU EV sales following the expiry of tax incentives, which offset sustained demand in the mass-market segment. This also reflects our view that the local automobile sector has entered a normalisation phase, with sales expected to gradually decline amid limited catalysts that can drive consumer demand apart from new model launches.

Valuation/Recommendation

- **Maintain MARKET WEIGHT.** Our sector call factors in a moderation in TIV following two consecutive years of elevated sales alongside limited catalysts to drive demand growth in 2026. That said, we see selective opportunities in companies with earnings recovery prospects and improving outlooks despite the challenging market conditions.
- **Our top pick is Bermaz Auto (BUY; Target: RM1.08)**, which is poised to deliver a strong earnings recovery in FY27, backed by robust sales of the Mazda 3, increasing order backlogs, and the cessation of loss-making Kia operation. We also like **Sime Darby (BUY; Target: RM2.72)** for its exposure to the structural growth in the Australia mining sector, rising EV adoption in Malaysia and Singapore and the dividend yield of 5.7%.

Sector Catalyst/Risk

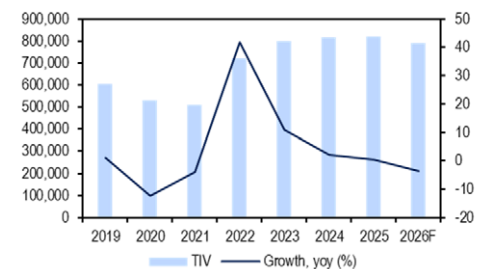
- Stronger-than-expected TIV numbers.
- Major incentives from the government to accelerate EV adoption.

Top Key Marques YTD

Make	Sales (Units)		Market Share (%)		Ranking	
	Jan-Mar 26	Jan-Mar 25	Jan-Mar 26	Jan-Mar 25	Jan-Mar 26	Jan-Mar 25
Perodua	74,233	85,091	40.8	45.1	1	1
Proton	48,439	34,228	26.6	18.1	2	2
Honda	12,830	19,624	7.0	10.4	3	3
Toyota	10,122	14,610	5.6	7.7	4	4
Jaecoo	3,625	4,253	2.0	2.3	5	5
Chery	3,117	2,573	1.7	1.4	6	6
BYD	2,801	2,397	1.5	1.3	7	7
Mazda	2,288	2,121	1.3	1.1	8	8
Others	13,056	12,169	7.2	6.4	n/a	n/a
Passenger	170,511	177,066	93.6	93.8		
Commercial	11,602	11,736	6.4	6.2		
TIV	182,113	188,802	100	100		

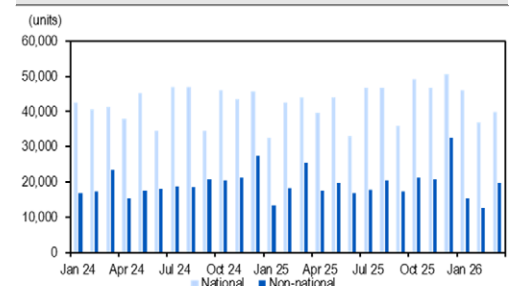
Source: UOB Kay Hian

Yearly TIV Numbers



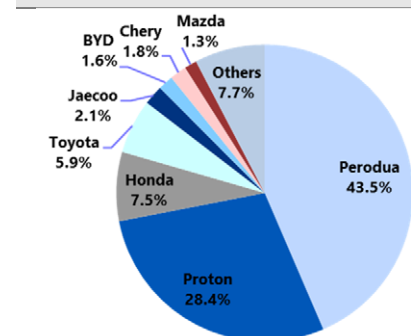
Source: MAA, UOB Kay Hian

National And Non-National Sales



Source: MAA

Market Share As Of Mar 26



Source: MAA

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